



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 30, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Devon Energy Production Company, L.P.

c/o **James Bruce**

P. O. Box 1056

Santa Fe, New Mexico 87501

Re: *Administrative application for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for Devon Energy Production Company, L.P.'s proposed Eagle "35H" Federal Well No. 14 at an unorthodox oil well location 2560 feet from the North line and 760 feet from the East line (Unit H) of Section 35, Township 17 South, Range 27 East, NMPM, Undesignated Northeast Red Lake-Glorieta-Yeso Pool (96836), Eddy County, New Mexico, within a standard 40-acre oil spacing and proration unit comprising the SE/4 NE/4 of Section 35.*

Dear Mr. Bruce:

This letter acknowledges your administrative application dated July 9, 2003 for the above described well that is to be drilled at an extreme unorthodox oil well location in the Undesignated Northeast Red Lake-Glorieta-Yeso Pool. The Division received your application on July 10, 2003, and assigned it **NMOCD administrative application reference No. pMES0-319250237**. Please refer to this number in future correspondence with the Division.

I've reviewed your application and feel additional support data is needed for this well that is only 80 feet from its spacing unit boundary line and to another unit with different ORRI. This location indicates possible correlative rights violation to these offset interests.

Please submit a detailed topographic map of the entire quarter-quarter section (Unit H) showing all of the surface features that are preventing Devon from drilling this well within the required standard location window for oil wells spaced on 40 acres [see Division Rule 104.B (1)]. Please explain why Devon cannot use one of the existing well pads to drill its Eagle "35-H" Federal Well No. 14. You also stated "[t]his is the only location in the quarter-quarter section which the Bureau of Land Management will approve." Please explain this statement in detail and provide a written statement from the BLM confirming this.

Since the submitted information is insufficient to review, the application was ruled as incomplete on July 30, 2003. Please submit the above stated information by Monday, August 4, 2003.

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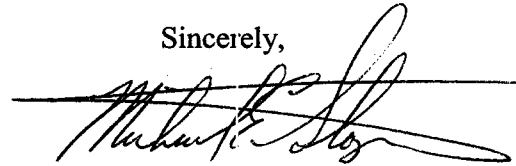
The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3462, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Devon Energy Production Company, L.P.
July 30, 2003
Page 2

c/o James Bruce

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465 or e-mail me at "mstogner@state.nm.us." Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad
U. S. Bureau of Land Management – Roswell
U. S. Bureau of Land Management – Santa Fe